



NATIONAL ASSOCIATION OF REALTORS®

*The Voice for Real Estate®*

700 Eleventh Street, NW  
Washington, DC 20001-4507  
202.383.1194 fax 202.383.7580  
[www.REALTOR.org/federalissues](http://www.REALTOR.org/federalissues)

Walt McDonald  
President

Terrence M. McDermott  
EVP/CEO

GOVERNMENT AFFAIRS  
Jerry Giovaniello, Senior Vice President  
Walter J. Witek, Jr., Vice President

June 4, 2004

Honorable Bill Thomas  
Chairman  
House Committee on Ways and Means  
1100 Longworth House Office Building  
Washington, D.C. 20515

Dear Mr. Chairman:

The one million members of the NATIONAL ASSOCIATION OF REALTORS® (NAR) are pleased to support H.R. 4520, The American Jobs Creation Act of 2004. The legislation is a well-tuned combination of domestic and international reforms that simplify business taxation, reduce corporate tax rates for many business sectors and assure that American workers have the most productive workplaces in which to conduct their operations.

The real estate industry has been a bright spot in the economy for several years. In order to sustain this momentum, more American workers need good, value-added jobs. Thus, we support your bill and urge all Members of Congress to give you their support.

One very important domestic tax reform in H.R. 4520 is a temporary provision that would reduce the cost recovery period for leasehold improvements from 39 years to 15 years. NAR has sought this goal for several years and is pleased that the bill takes this initial step toward codifying this important principle. The Department of Treasury, Congressional Research Service and several studies have all verified that the current law rule is unfair. This legislation rights a wrong.

The leasehold improvement provision is consistent with the goals of enhancing productivity and increasing jobs. Improved capital recovery rules for these improvements will assure that workers have the best possible space in which to work. The process of making these improvements enables owners and/or tenants to create numerous jobs in construction trades. Thus, the leasehold improvement provision has the dual benefit of both enhancing business output and increasing capital expenditures as new jobs come on line.

We urge the speedy enactment of this important legislation.

Sincerely,

Jerry Giovaniello  
Sr. Vice President